

**ASSISTANCE TO PARTNER  
CITIES:  
GLIWICE, POLAND  
PRELIMINARY SCAN OF THE  
ENVIRONMENT FOR  
ECONOMIC DEVELOPMENT,  
PUBLIC PARTICIPATION  
AND PUBLIC RELATIONS**

Prepared for

East European Regional Housing Sector Assistance Project  
Project 180-0034  
U.S. Agency for International Development, ENI/EEUD/UDH  
Contract No. EPE-0034-C-00-5110-00, RFS No. 613



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October 1996  
UI Project 06610-613-00



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## ABSTRACT

In response to requests and suggestions from Polish institutions, the U.S. Agency for International Development (USAID) determined in early 1996 to place high priority over the next four years on a new *Local Governance Program (LGP)* designed to help Polish local governments *Become more effective, responsive and accountable*.

The *Local Government Partnership Program (LGPP)* is one of four inter-related LGP activities. The LGPP will work closely with 40-50 individual municipalities selected in consultation with a Program Steering Committee. Gliwice is among the cities under consideration for partnership.

Gliwice:

- Covers an area of 133 sq. km. and forms part of the western border of the Katowice voivodship.
- Has a population of 216,000 residents
- Is one of the most rapidly developing cities in Upper Silesia and was recently chosen by General Motors as the site of their new Central Europe auto assembly facility
- Is known as the "capital of Polish chemistry" and home to approximately 50 large industrial enterprises
- A team of three USAID/Urban Institute Consortium consultants visited Gliwice October 14-17, 1996, to conduct a *preliminary* scan of the environment and the potential for supporting Gliwice in three focus areas:

Economic development

(Pat Dusenbury, Consultant, The Urban Institute)

Public participation and exchange of information

(Bill Guerrant, Consultant, International City-County Management Association)

Public participation and exchange of information

(Becky Gadell, Consultant, International City-County Management Association)

The team provides in this report a preliminary overview of the environment and recommendations for next steps.

## SUMMARY

A team of three USAID/Urban Institute Consortium consultants visited Gliwice, Poland, October 14-17, 1996, to conduct a *preliminary* scan of the environment and the potential for supporting Gliwice in three focus areas:

Economic development

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Public participation and exchange of information

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## Approach

Team members Bill Guerrant and Becky Gadell joined efforts for public participation and information exchange in recognition that these areas are standard components of a *comprehensive strategy* driven by a strategic community vision. In further recognition of the need for synergy among the three focus areas, team members shared all information and participated as a group in the majority of meetings.

The team's approach included:

- Review of publications and reports
- Tours of the central business district, university, government and business facilities
- Open, focused dialogue in meetings with government leaders, front-line city staff, and citizens in business, the news media, higher education and community services.

## Strengths and Challenges

In all three areas, the team identified significant strengths and opportunities, including:

- Recognition of the need for a regional approach to economic development, strategic planning, public participation and information exchange
- Beginnings of supportive and effective relationships among government, business, higher education, news media and volunteer sectors
- The first phase of a strategic regional plan and recognition of the need for meaningful public participation in the process
- Recent economic development successes, including selection of Gliwice for the new General Motors auto assembly plant for Central Europe
- Innovative city initiatives, including a one-stop-shop Customer Service Center that is receiving attention from cities throughout Poland.

The team also identified challenges, including:

- A transition in the local economic base caused by the decline of heavy industry
- Significant financial, infrastructure and environmental demands

- An emphasis on individual projects and short horizons guiding activities
- No formal strategy and few systems for public participation, marketing and public relations
- No customer surveying, benchmarking or performance measurement systems
- Lack of local strategic marketing and public relations expertise, but some local advertising production expertise.

## **Recommended Next Steps**

The team recommends the following next steps:

Review of this preliminary report by City of Gliwice officials and the selection of critical short and long term priorities for implementation

1. Completion of data gathering, review of translated documents and follow up meetings with key city officials, business and community leaders
2. Facilitation by Urban Institute/USAID consultants of a collaborative process which results in a comprehensive strategy for economic development, public participation and public relations initiatives

Development of benchmarking and performance measurement systems to track and direct current and future programs.

**ASSISTANCE TO PARTNER CITIES: GLIWICE, POLAND**  
**PRELIMINARY SCAN OF THE ENVIRONMENT**  
**FOR ECONOMIC DEVELOPMENT,**  
**PUBLIC PARTICIPATION AND PUBLIC RELATIONS**

## **INTRODUCTION**

This report provides preliminary information and suggested next steps based upon information gathered during the USAID/Urban Institute Consortium team's initial visit to Gliwice, October 14 - 17, 1996.

The team presents this report with the recognition that the brief duration of this initial visit and the broad range of topics allowed for only a *preliminary scan* and did not allow for in-depth investigation and cross checking of information provided in interviews.

The team of three consultants visited Gliwice to conduct a *preliminary scan* of the environment and the potential for supporting Gliwice in three focus areas:

1. Economic Development (Pat Dusenbury, Consultant, The Urban Institute)
  - Assist Gliwice Region with development of their regional development strategy
  - Prepare a brief White Paper which defines key issues, opportunities and constraints for the region and lays the groundwork for a formal, long-term strategic planning process.
  - Assist the city to leverage the General Motors facility into a more significant market economy.
2. Public Participation (Bill Guarrant, Consultant, International City-County Management Association)
  - Help Gliwice develop a public participation program within the city
  - Examine recent unsatisfactory efforts and begin a program outline which is appropriate to Gliwice and relies on both Polish and U.S. experience. Results to provide a basis for defining scope of work to implement and monitor a public participation program.
3. Exchange of Information (Becky Gadell, Consultant, International City-County Management Association)
  - Help Gliwice improve and develop systems for sharing with other Polish cities information about City of Gliwice activities and accomplishments, particularly those supporting business innovation and interaction with citizens.
  - Examine current systems and subsequently work with the city to develop a program for exchanging ideas and information. Results to provide a basis for defining the scope of effort required to implement more formal municipal information exchange systems.

Team members Bill Guarrant and Becky Gadell, with the pre-visit concurrence of Mr.

Bruce Purdy of the Urban Institute, conducted a joint preliminary scan for public participation and exchange of information since these activities are usually joined in a comprehensive strategy driven by a strategic community vision. Such a comprehensive approach typically includes distinct components for public information and public participation, public and press relations, marketing and promotion, and employee communication and recognition. In the interest of brevity, this report refers to this approach as a “comprehensive public participation and public relations strategy.”

In further recognition of the need for synergy among the three focus areas, team members shared all information and participated as a group in the majority of activities.

Based upon observations made during the visit, this report makes initial recommendations for the consideration of the City of Gliwice and the Local Leadership Council as they begin work on a regional strategy and comprehensive systems for public participation and information exchange.



## APPROACH

With awareness of the need to conduct a preliminary scan of attitudes and perceptions as well as data, the team's approach included an intense schedule of meetings with key individuals and groups whose activities affect the focus areas.

The team acknowledges the outstanding support provided by the City of Gliwice both before, during and after the October visit. We particularly acknowledge Mr. Piotr Popiel, Assistant to the Mayor, whose knowledge and efforts allowed us to cover a lot of ground in short order. Mr. Popiel:

- Served as local host and point of contact
- Gathered numerous government and community publications and reports
- Coordinated and attended 13 meetings which resulted in open and focused dialogue with City of Gliwice leadership, city front-line service staff and citizens involved in business, the news media, higher education and community service
- Is providing follow-up data, including printed publications and city video productions.

### What We Did

- Scanned, via discussions and reading, basic historical and current facts, demographics, nature of Gliwice and the region
- Scanned, via dialogue and review of materials, current public participation and public relations programs and the environment for preparing a long-term strategy
- Toured central Gliwice to learn basic geography and character of central district
- Visited selected city and community facilities, including City Hall, City Hall Customer Service Center, the Regional Chamber of Commerce and Silesian Polytechnic University Computer Center

### We Visited With

- Mr. Zygmunt Frankiewicz, Ph.D., Mayor of the City of Gliwice
- Mr. Piotr Popiel, Assistant to the Mayor
- Additional elected and appointed city government leaders and staff, including:
  - Mr. Tadeusz Grabowiecki, Ph.D., Chairman of the City Council
  - Mr. Jan Knisz, Displ. Eng., Vice Chairman of the City Council
  - Mr. Wojciech Napierała, Gliwice Economic Development Agency
  - Mr. Krzysztof Semik, Manager of Public Relations
  - Ms. Halena Michniewska, City Secretary and lead in development of the Customer Service Center
  - Manager and front-line supervisor of the City Customer Service Center
  - Ms. Krystina Gajdek, Architecture Department
  - Mr. Janusz Siejko, Treasurer and Ms. Anna Jasinska, Deputy Treasurer
- Mr. Wiktor Pawlik, President of the Regional Chamber of Commerce & Industry

- Regional representative of the Ministry of Labor
- Representatives of the local news media, including print and radio, and contract video producers who work with the City of Gliwice
- Webmistress of the Silesian Technical University Computer Center who manages the university and community information Web site (<http://www.gliwice.edu.pl/gliwice/egliwice.html>) and hosts the city's site
- Community volunteers, including representatives of "People to People" and the "Citizens Initiative Center."

## **PRELIMINARY SCAN**

### **ECONOMIC OVERVIEW**

Gliwice began 750 years ago as a trade and crafts center at the intersection of major east-west and north-south routes through Europe. This location shaped its history, and geography continues to affect current development. Today, Gliwice is a major city in Uppers Silesia, an industrial region with 2 million urban and 4 million total population, yet it is bounded on three sides by agricultural lands and forests.

Gliwice continues to be well placed in relation to major highways and will have proximity to two of the three major freeways being built in Poland. An inland port connected by canal to the Baltic and the European canal system plus major rail lines are additional routes for movement of goods. There is a small international airport 40 km to the north.

A foreign trade zone is adjacent to the inland port and rail line. That zone, which includes Optimus, Poland's largest computer company, among its clients, has been operating effectively for the last 18 months. A recently created special economic zone offers tax abatements to encourage industries to locate in Gliwice.

### **Economic Challenges and Strategy**

Overall, Gliwice is in good shape economically and is sophisticated in its economic planning activities. Economic challenges facing Gliwice include:

- Declining major industry
- Pollution
- Transit needs, and
- Aging infrastructure.

Still, the regional unemployment rate is a relatively low 4.5 percent, and the Voivodship has among the highest per capita incomes in Poland. A recent economic survey listed the Katowice Voivodship, where Gliwice is located, as the second most attractive Voivodship to investors. Gliwice recently succeeded in attracting a new General Motors assembly plant, which will bring new jobs to the region.

The economic development strategy for Gliwice calls for attracting outside investment, restructuring existing industry, and create a new industrial base by encouraging high technology industries. The question is how to involve the citizens in planning and build public support for the strategy.

As Poland shifts from a state economy to a market economy, another challenge for promoting economic development is building a relationship between business and government. Now that they are no longer one, a positive relationship is important for the

future of both. These relationships are the key issues for regional economic development in Gliwice.

Political and economic changes are interwoven. Gliwice was the seat of the old powiat and is the economic center for the surrounding area. The transformation to a market economy challenges the Gliwice government in its regional leadership role.

## **Regional Approach**

During the last few years, Gliwice has been trying to improve its relations with the gminas that comprised the old powiat. Three years ago, under the provisions of the Law on Large Cities, Gliwice and 12 neighboring gminas took from the national government responsibility for managing high schools and health care. The national government provided sufficient funds to cover operating expenses for the schools, but health care is problematic and remains the most socialized of service areas.

Gliwice is approaching economic development from a regional perspective. City officials believe that their relatively strong economic position and the economic boost expected from the new General Motors plant provide an opportunity to revive the regional (powiat) identity. As this moves forward, it needs a long term strategy to guide immediate actions, annual expenditures, and selection of projects.

A municipal strategic framework has been accepted by the City Council, but it is too early to judge its impact. Gliwice does not want to develop apart from the rest of the gminas that comprise the old powiat, especially in view of possible administrative changes. Thus, the strategy is intended as a first step for a regional policy, to be modified as needed to become a truly regional document.

Arenas for pursuing a regional approach include the Chamber of Commerce, the Municipal Association of Upper Silesia and Moravia, and now the Local Leadership Council (LLC), which was created to prepare a regional development strategy. LLC members represent the gminas in the old powiat. The LLC is novel because it creates a government entity on level of the old powiat, and it is an attempt to do bottom-up planning. Goals for the LLC are to develop a strategy for regional development, get local governments in the region to sign on, and involve LLC members in strategy implementation. The schedule calls for the regional strategy to be done by the end of Spring 1997 and lends urgency to the work of the Urban Institute Consortium.

Local government officials in the region know one another and cooperate within the framework of the Union of Communes of Upper Silesia and Moravia. Although neighboring cities do not have economic development professionals who are counterparts of Gliwice staff, provisions of the Regional Contract may change that. The closest contacts are among the gminas who were in the old powiat. Still, the mayors only work

together to solve a specific problem not as a matter of course.

## **Industry Sectors**

Today, Gliwice has a diverse economic base with about 20 major firms, each with over 3,000 employees, and about 20,000 small and mid-sized businesses. Major firms include two coal mines and two steel works. Mechanical, electrical and chemical engineering are important industries, and there is a strong high technology presence. Many of the smaller new firms were started by workers laid off due to liquidation and restructuring of large industries.

Major economic impacts are expected from the selection of Gliwice as the site for a new General Motors assembly plant. The city is proud of winning that facility in a competition with over 100 other cities. Gliwice does not have an organized marketing effort to recruit firms and put their successful proposal together very quickly. This selection is expected to bring great economic benefits. In the short term, the plant will create some 2,000 jobs. In the longer term, suppliers are expected to locate here and employ another 20,000. Local observers consider it likely that long-term suppliers will follow GM to Gliwice, and do not foresee GM buying many supplies from existing local firms. People employed at GM and in related facilities are expected to create additional demand for goods and services, especially for the food, tourism, culture and recreation industries.

The GM plant is being built northeast of the town center in a special economic zone, oriented toward heavy manufacturing. The zone location provides a property tax abatement of 100 percent for 10 years and 50 percent for next ten, plus job creation tax credits that reduce corporate income taxes substantially. The city's land use plan is being amended to accommodate GM facility. Under the provisions creating the zone, the Polish Treasury owns this land -- about 170 acres. A state-owned company was created to run the zone. In exchange for the contribution of municipally-owned land to the zone, Gliwice has shares of stock and representatives on the Board of Directors.

The coal mines are a troubled industry. Since 1989, there have been repeated attempts to revive the mining sector, and one is underway now. Gliwice has two operating coal mines, but no information on their individual situations was gathered during the initial visit. Gliwice has sought outside investment to create jobs for workers laid off from the mines and other large industries that have laid off workers or closed. The General Motors assembly plant is viewed as the answer to job creation needs.

Several people interviewed mentioned an interest in tourism development. Gliwice is interesting, old, and historic. It is the site of the radio station provocation that started WW II. Within a 20 to 25 minute drive are attractions, ranging from medieval buildings to palaces to working coal mines to the Shrine of the Black Madonna. Still, no-one thinks of Gliwice as a tourist destination. Gliwice and neighboring gminas are interested in

pursuing tourism development in the more rural areas northwest of the city that currently lack quality hotels and restaurants. An initial target is resorts aimed at the long week-end market, but more market information is needed.

Finally, business and professional service industries are expected to grow to meet the needs of the increasing number of firms in Gliwice, the changing business laws, and the need to comply with European Union regulations as Poland prepares to join at the turn of the century.

### **Non-Profit Sector**

A new political and economic resource in the emerging market economy is the non-government organization (NGO) non-profit sector. Local officials indicated that the NGO sector is strong in Gliwice, with some 50 active organizations. An NGO leader is the Civic Initiative Center, which operates a school for democracy and one for ecology, Big Brother and Big Sister programs, plus a network of rehabilitation centers for disabled children. The Center gives technical assistance to other non-profits on grant applications and internal management. All these are relatively recent activities, because social problems were not acknowledged under communism.

From the NGO perspective, the local governments in Poland do not understand the importance of the non-profit sector. Governments do not have professional resources, but they have funds; NGOs have professional resources, but lack funds. Government often mistrusts NGOs because many have failed due to ineffective management. Still, others are effective, and Gliwice supports its emerging NGO sector with a grant program that provides partial funding for NGO civic, cultural, health and social service providers in the city as part of the annual budget process.

### **Land Resources**

Gliwice has sufficient open land and room for industrial and residential expansion. Land amenities include a large artificial lake, parks and green space. A land use and economic development priority is providing land for economic expansion but maintaining land in agricultural use so that the city continues to lie between agriculture and industry. The agricultural land helps the environment, is an important part of Gliwice's identity, and provides jobs for small farmers.

Some 16 percent of the land in Gliwice is in municipal ownership, but the city cannot use all this land. Much is park land, and other plots are in common gardens. People would have to be compensated for loss of its use. It is politically difficult to change land use designations, which were described as reflecting current land use patterns rather than a vision for the city's future.

Just to the east of Gliwice lies one of the most heavily polluted areas in Europe, an area that is cleaner now because many businesses have been unable to make the transition to a market economy and have ceased operation. Gliwice, as a trade center, suffered less environmental damage than its neighbors, but it has some, mostly associated with coal mines.

Land areas classified as “destroyed” remain where the coal mines operated. By law, the mining company has to help restore the land if it has funds, but in the current economic climate, having the funds is very uncertain. Gliwice proposes to put in soccer fields, a motor cross, and other facilities that will transform the destroyed lands from a blemish into an advantage. A golf course is an option that could take advantage of the uneven land surface left behind by mining operations.

## **Human Resources**

Impressive human resources contribute to a positive economic outlook for this region. Gliwice has a skilled workforce, a top level technical university, plus other educational institutions. The local economy has benefited from the growth of small firms established by skilled individuals, laid off during the liquidation of large firms, who have started their own businesses. Local academic institutions are very important economic resources. Silesian Polytechnic University with more than 19,000 students and specialties in electronics and computer science lies just southeast of the market center in Gliwice.

The City Economic Department recognizes the resource represented by Silesian Polytechnic University and is putting together a proposed agreement to enlist the University in economic development projects. The agreement covers six points:

Telecommunications infrastructure

1. A science and technology park
2. An exhibition and conference center
3. A training center offering continuing education about the market economy
4. A center for technology transfer, and finally,
5. Joint participation in Expo 2000 in Hanover Germany.

Another priority human resource goal is to establish links from high school to university to provide education and training for business and professional services, which now are provided mostly by U.S. Big Eight firms.

A human resource challenge is finding work for the people who have lost their jobs due to restructuring associated with the decline of heavy industry and the shift to a market economy. The Deputy Labor Director for the Voivodship notes that unemployment is a problem that Poland is just learning how to address, because there was none under communism. This office covers the gminas that comprise the old Gliwice Poviast, which has about 350,000 residents, 9,500 of whom were unemployed in September, 1996.

The majority, 7,000, of unemployed persons are women because there are fewer jobs for females. About 40 percent of the unemployed are actively seeking work. The typical unemployed person is middle-aged or older and was laid off by liquidated large industry. They do not have pensions, their skills are outdated, and companies prefer to hire younger workers.

Initially, government provided cash transfers to all who were not working, whether they were seeking work or not. The program has been amended to limit assistance to 12 months and to recipients who worked for at least 6 months before requesting benefits and are actively seeking work. Others are transferred to the welfare system. Single mothers with young children are eligible for extended assistance.

The Labor Office offers re-training, extensive counseling, and job clubs for those seeking work. It also has training, management and technical assistance, and low-interest loans for unemployed persons who want to start their own businesses. Employer needs help determine job training programs, and the Labor Office has provided retraining in advance of layoffs. Three gminas have set up a retraining office that cooperates with the Labor Office.

Gliwice is fortunate to have numerous small companies that are hiring people laid off by liquidated large companies. Hiring incentives encourage local businesses to use the Labor Office data base on job seekers when they have a job to fill, and 40 percent of active job seekers are placed. Current jobs openings for women are for tailors, sales people, hair dressers; for men, for welders, locksmiths, construction workers and heating equipment specialists in their respective seasons. The Labor Office has little to do with highly skilled professionals who usually can find their own job.

## **INFRASTRUCTURE**

Generally, transportation infrastructure to support economic growth in Gliwice is either in place or planned. A new reservoir being opened in the province will meet the demand for water for the next 20 years. Waste management facilities need improvement; the city is aware of the problem and is seeking solutions. Consistent with the regional development focus, Gliwice officials cite the need to maintain their infrastructure and plan improvements in concert with other cities in the region.

### **Access**

Access for people and goods remains a contributing factor for regional economic growth. Gliwice has a vision for planned and proposed highways and has begun building junctions even though all the road improvements have not been approved at the Voivodship and national levels. It is hoped that the new roads will create a bypass around the city and



alleviate current traffic problems, which are the result of a major east-west route going right through the middle of town.

Gliwice is on major rail lines. The river and canal system, which used to be a link to the Baltic and Western Europe, has silted in and is too shallow for large barges along portions of the way. The Polish government may dredge it.

Access routes for information are also being improved, and development of a Municipal Area Network is a priority. This Network is separate from telephone system, which is the responsibility of a state monopoly. Telecommunications improvements are underway, however, people interviewed indicated that the improvements are not coordinated. The Silesian University has its own internal fiber optics network. The phone company is putting in its own fiber network on streets with copper to houses, and the electric company is doing the same thing.

Gliwice is on-line with a home page on a Web site maintained by Silesian Tech. The issue is now money to pay for maintenance, and supporters are trying to make decision makers aware of the benefits so that they will budget the dollars. The other gminas in the region are not on-line yet, but the University is working to broaden access. Also, the Local Government Parliament of Upper Silesia and Moravia is getting its own Web site and will give members access to having a home page there. The local government parliament of Katowice Voivodship has its own Web site.

## **Industrial Sites**

There is land in Gliwice suitable for industrial development. To help development of small businesses, the city is converting a old factory building on the Silesian University campus into a high tech incubator, using funding provided by the PHARE program and the city. The incubator is the first step toward the creation of a science and technology park. The goal for this year is to finish rehabilitating and furnishing the building so that the incubator can begin operation. The incubator is being promoted to all industries, but the eventual target is high technology firms.

The incubator will need a managing entity. An option being considered is to set up a Business Innovation Center (BIC), which would be supported by the European BIC Network, to operate the incubator, create a center for technology transfer, and play a role in the training center. Completing that proposal and submitting it to the City Council will be the first step.

The City Economic Development Department also wants to move ahead with planning for a science and technology park and to start seeking financial support. One possible funding source is a State agency for technology transfer that began operation in October with funds to support technology transfer and some venture capital. Another possible

source is funds from the Regional Contract.

A concept paper for the proposed science and technology park was completed in mid 1995, but action was delayed by a change in University administration. They are ready to start moving ahead now. Partners in this venture would be all the institutes from Gliwice, banks, some private firms from the region, plus local governments from neighboring communes. Some incubated firms would be relocated to neighbor gminas, but it will be a task to persuade these gminas that they have an interest in the incubator. Neither the technology park concept paper nor the proposed agreement with the University have been translated from Polish. Further analysis awaits those translations.

### **Environmental Facilities**

Gliwice needs additional wastewater treatment capacity; the river and canals through town were described as open sewers. An effort to build a waste water treatment plant three years ago foundered, and the problem has just gotten worse. As part of the Urban Institute Consortium activities in Gliwice, RTI is assessing the city capacity to finance a proposed facility. It appears to be insufficient.

This leaves Gliwice with three options:

1. Continue to delay needed action
2. Access external investment and/or credit resources, or
3. Use a cheaper technology.

The plant remains a high priority issue. Solid waste disposal is another area of need. One facility has to be closed and a proposed new site has a land ownership question, plus problems due to the proximity of the airport and concerns about risks from fire and flocks of birds attracted to the landfill.

### **Housing**

There is a severe shortage of affordable housing in Poland. Because it is so hard to find housing, people are tied to where they live. The local consensus is that this problem has to be addressed at the national level.

A local housing issue is the maintenance of the units owned by the city, 30,000 low-rent apartments housing about half of the population. Much of this housing stock is 60 to 100 years old and needs rehabilitation. Newer apartments built under the communists have obsolete plumbing and electrical systems. The city-owned units are not ghettos for the poor, but they could become that if they fall into greater disrepair. City officials report that the rents, which are regulated in Warsaw, do not provide sufficient funds for maintenance much less improvements.

## GOVERNMENT-BUSINESS RELATIONSHIP

Under state socialism, the government and business were the same entity, and there was no need for business associations. The shift to a market economy separates the two and creates intersections where business meets business and government meets business. The Chamber of Commerce, which was revived after being disbanded under communist rule, provides one of the few places for those meetings.

The Gliwice Chamber of Commerce is one of three in the Katowice Voivodship. Its area, western Katowice, is significantly larger than the area of the old Gliwice Poviast. Members include small firms and some with over 5,000 employees. Chamber membership is not mandatory here as it is in much of western Europe, nor is it traditional as in the United States, but membership is growing. Existing chambers are establishing local divisions as they grow.

The Chamber's primary goal is to help the local business community prosper, and its first strategy is to bring firms together to get them doing business with each other. Standard tools include meetings, a monthly magazine, an awards program and support for firms wanting to establish relations with foreign counterparts. Special services include a Business Information Center (BIC), a training center and help with foreign corporate relations. The Chamber has partnership agreements with foreign chambers. (Note: USAID supports the BIC, which is one of four in Poland, but their funding ends in March 1997.)

The Chamber cooperates with local governments; for example, helping a gmina find a sister city or with locating a site for a new businesses. Their overall relationship with local government is good, but they are still looking for ways to improve it and to make government more knowledgeable about local business concerns. The Chamber has tried without success to get Chamber representatives on Gliwice City Council Committees. (The Council is elected, but can have up to half of subcommittee members from outside experts.) An advisory board with representatives from the 20 largest business and research institutes advises the Chamber and issues opinions about government projects.

The Chamber plans to start an investor service center to provide information on available sites, required permits, other conditions, etc. for foreign investors. The Chamber proposed this to Gliwice and other gminas, and they are working out the details. The center would need funding from local governments and businesses.

## CONSTRAINTS

A regional economic strategy must consider the financial constraints imposed by the level of funding provided by national government and limitations on local revenues. Parliament is discussing reform of the intergovernmental finance system, and the situation should

improve soon.

Municipal revenues are from the local property tax -- on land area rather than property value, a return from Warsaw of 15 percent of individual and 10 percent of corporate income taxes paid locally, plus local fees for service, which are capped by the central government, and a coal severance tax. The City Treasurer reports that industry being privatized is not paying local taxes that are owed. For example, the local steelworks negotiated its \$4 million tax debt down to \$0.5 mil. and will pay it off over six years with no interest.

Collecting taxes, fees, and penalties from the coal mines also is difficult. Gliwice collected only 19 percent of the severance tax which was owed them in the first 9 months of 1996. The city hopes that new development will increase local revenues. However, GM has a tax abatement.

Cultural constraints also affect regional economic development planning. The habit of citizens coming together to solve common problems has to be developed in an environment where, a decade ago, a gathering of more than three people was an illegal assembly. Planning has a 40 year history of centralized planning failures to overcome. Reality forced planning to become the art of preparing the annual budget.

The absence of a guiding strategy and the single project orientation of most activities is a legacy from that era. Local government is challenged to build credibility with citizens. Gliwice has taken a big step in that direction by establishing a customer-friendly City Hall.

## **ECONOMIC DEVELOPMENT RECOMMENDATIONS**

The following recommendations are based upon observations made during the field visit to Gliwice. They are preliminary and, in most cases, include suggestions for an immediate or short term action plus a longer term option.

To foster desired economic development, Gliwice and its neighboring gminas can work together to create a good business climate in the region. Three strategies underlie a good business climate.

1. Establish a solid relationship between business and government.
2. Take a regional approach, recognizing that economic regions transcend local government boundaries.
3. Build public support through citizen participation to create consensus on the economic development strategy and thus reduce the risk to business from sudden changes in public policy affecting its operations.

The Chamber of Commerce represents the obvious starting point for creating a strong government business relationship.

- Short term, start building a positive business-government relationship by working with the Chamber of Commerce to find opportunities for cooperation.
- Longer term, establish a City and Chamber supported existing business program to treat existing businesses with the same enthusiasm as firms being recruited.

The development strategy adopted by Gliwice starts with a vision of a city where the citizens can achieve their personal and professional goals. It recognizes the responsibility of the city to provide an environment in which this should occur.

- Short term, use the strategy as a starting point for the regional development planning effort.
- Long term, broaden the citizen participation in expanding the regional strategy, recognizing that citizen participation and public information underlie a successful development strategy.

### **Target Industries**

To encourage maximum positive and lasting impact from the new GM plant, Gliwice should encourage development of the professional firms that provide support services – such as accountants, lawyers, bankers, -- as well as the material suppliers for the new facility. A network of support services and suppliers ties an industry to a region.

- Short term, education and training for business service professionals, a goal of the City Economic Development Department, should be linked to development of support services for target industries.
- In the longer term, a backward linkage analysis could identify areas where supplier development is feasible.

Tourism industry development would be most effectively considered in a regional context. Taken together the local governments in the Gliwice region have potential to assemble a critical mass of tourist attractions.

- Prepare a regional strategy for tourism industry development, incorporating both short-term and long-term projects.

In addition, local government should continue to support grass roots NGOs, recognize their potential as a resource, and involve them in strategy development.

- Short term, maintain the local grant program.
- Longer term, add technical assistance and management training for NGO administrators to the continuing education program in the proposed agreement

between the city and Silesian Tech.

## **Land Resources**

Rising land prices and economic growth can shift land to other uses, and Gliwice could lose its advantageous position at the intersection of industry and agriculture. Also, agricultural lands create green space, along with recreational facilities, supporting an environmental quality of life that makes Gliwice a desirable place to live.

Short term, begin now to address the issue of preserving agricultural lands.

- Longer term, re-use of destroyed lands to expand local green space and recreational resources. Evaluate the feasibility of building a golf course among other options.

## **Human Resources**

Encouraging high technology industry development looks to a partnership with local educational institutions. The recommendations for taking advantage of the strong human resources echo Gliwice's draft strategy.

- Short term, establish the proposed partnership with the Silesian Polytechnic University, including the establishment of a high technology incubator on the campus.
- Longer term, build an even stronger relationship with the University to plan and develop a research and development park, and strengthen the project by adding business to the partnership.

## **Infrastructure**

To maintain its strong access, the city is pursuing priority projects and lobbying for favorable highway locations. Other modes of transportation should receive attention also.

- Recognize the role of a regional airport in providing convenient access for business executives flying in corporate planes.
- Assess the role of the canal, and if it is found to be important, encourage the proposed dredging.
- The need for cost-effective, low emission mass transit should be assessed, especially in moving workers to the new GM plant and other industrial sites.

The city appears to be moving forward on environmental projects. Clearly this area has to be addressed to maintain the quality of life intrinsic to achieving local development goals. It does not appear that progress is underway in addressing housing issues, and it is important to note that, in the long run, it is much less costly to maintain housing than to revitalize neighborhoods that have deteriorated and become undesirable due to poor quality housing.

## NEXT STEPS

Once Gliwice and the Local Leadership Council identify their priorities, the team can assist by providing technical assistance to support both the strategic planning process and the development of a good local business climate. This would include information about successful operations in the United States and contacts with individuals who are operating those programs. For example, the team could assist by compiling and presenting information on topics such as existing business programs or research and technology parks in the United States. Leveraging the new General Motors facility to provide new market opportunities can also be a key priority of the team.

If tourism development is selected as a priority by the Local Leadership Council, the team can assist in that strategic planning process. In addition, the team can link local officials and the Local Leadership Council to expertise in infrastructure areas such as regional transportation planning and public housing management if that is identified as a local priority for assistance.

All observations and recommendations are preliminary. The team needs additional information about local conditions and plans. Some of this information will be available from documents that are being translated; other information will be gathered in future meetings with city officials.

## **PRELIMINARY SCAN: PUBLIC PARTICIPATION AND PUBLIC RELATIONS**

### **STRATEGIC PROCESS**

As in standard business planning, the first step in a comprehensive public participation and public relations strategy is an environmental scan. This report section organizes the preliminary scan into three sections:

1. Strengths and Short Term Opportunities
2. Challenges and Long Term Opportunities
3. Checklist of Recommendations for Prioritization

Three key factors separate effective strategies from those that sit on the shelf, produce limited results or, in some cases, fuel distrust of government. Effective strategies:

1. Are unique to the community. There are no boilerplate plans with blanks to “fill in your city's name here”.
2. Evolve in synchronization with and in support of the community vision and strategy.
3. Involve citizens and government employees, who are potentially a community's best messengers.

### **STRENGTHS AND SHORT-TERM OPPORTUNITIES**

The team identified seven key strengths and opportunities for short term actions -- or “low-hanging fruit” -- which are within easy reach, leverage minimal resources for quick success and, based upon initial observations, support longer term goals.

#### **1. Customer Service Center**

- A one-stop-shop Customer Service Center provided the team its first physical impression of the city. Gliwice scored an A+ for the bright, welcoming and clearly marked center where, the manager and line supervisor emphasized, “the customer is the focus.”

Service representatives help individuals and businesses with the myriad of city services, including vehicle registrations and building permits. Telephone information services are coordinated with the walk-in center. A database of city service information is available to counter and telephone reps and to citizens at a public computer. Comfortable discussion areas are scattered throughout. The center is accessible to persons with disabilities.

The City Office Secretary, who lead development of the center, reports numerous



inquiries from other Polish cities and an invitation to share the center's story at an upcoming conference. We understand Gliwice is the first and only Polish city to offer such as service center.

**Low-Hanging Fruit:** The center provides opportunities for inspiring pride in local government, serving as a regional and national model, and recognizing city employees and service delivery innovations. Potentials include:

- Write and publish stories in local, regional, national and international publications. Potential vehicles include the area Chamber magazine and *Governing* magazine.
- Expand a planned news conference into a community celebration and ribbon-cutting that includes citizens, city officials, employees and their families, the press, business, and representatives of cities in the region. Have fun with it.
- Put the Customer Service Center's story on the city Web site to reach a broad audience, support economic development and efficiently share information with other Polish cities. Feature city employees to recognize customer service and innovation champions. This action begins to pave the way for service delivery via the Web.
- Prepare a "road show" about the Center to help share the story of this new service locally, regionally and nationally.

## 2. General Motors Plant

GM's choice of Gliwice from a field of 100 cities vying for its new plant is a story that can be told and re-told as planning progresses and construction begins.

### Low Hanging Fruit:

- Ask GM to contribute public relations support to city efforts.
- Use plant planning and construction challenges and milestones as focal points to encourage regional exchange of information.
- Celebrate plant milestones, such as the ground breaking, as a community.
- Tell the ongoing story locally (via the press and existing city vehicles) and globally (via the Web) to build Gliwice's reputation as a good place to live and do business.

## 3. Regional Approach

Gliwice's recognition of the value of working regionally is a plus. Current initiatives, including the Local Leadership Council, the Mayor's regional leadership role and the emerging regional strategy, provide natural vehicles for exchanging information, building reputation and promoting public participation.

There appears to be an environment for support of the strategic vision. Individuals from varied backgrounds stated the vision – to provide opportunities for people to realize their personal and professional goals – in their own words as their group's vision or purpose.

**Low-Hanging Fruit:** Continue to share the strategy and create focused opportunities for public involvement begun at the October Local Leadership Council retreat.

## 4. Use of Technology

- The Gliwice Web site (<http://www.gliwice.edu.pl/gliwice/egliwice.html>) provided the team our first impression of the community. Two team members used the site to prepare for our visit. We heard concern about the pace at which the city Web site is growing, but the important point is that they have begun to lay the foundation for using the Internet to share information, build reputation and, ultimately, put the Web to work for city service delivery improvements. The city is working in strategic partnership with the University, which hosts the cohesive, professionally designed and growing community Web site. The community site includes business, including Radio PULS.
- The city is using technology to support business improvements, including the Customer Service Center.
- Elected officials and city executives have (or will soon have) access to personal computers and the Internet, an essential first step to ensuring strategic use of technology to support business.
- The University has a fiber network and the local telecommunications infrastructure is developing. Additional research is needed to determine the potential for using the Internet to support public participation and efficiently share city information locally and regionally.

**Low-Hanging Fruit:**

- Add information about the Customer Service Center and GM plant to the Web site. Consider e-mail opportunities, particularly for business development.
- Continue to develop city information and services on the Web to demonstrate local government commitment to use technology and to position Gliwice for growth as a technology center.
- Continue to nurture government, academia and business collaboration which has proved key to economic development in emerging high tech centers.

**People and Places**

- Fledgling relationships with business and civic groups and a longer term relationship with the University provide solid beginnings for strategic information exchange and willing participants in government activities.
- The central district, which includes business and housing, is alive and would be the envy of U.S. many cities struggling to revitalize downtowns. The town square and nearby shopping areas are gathering places which provide ready opportunities for sharing information via public bulletin boards and hosting community celebrations.

**Low-Hanging Fruit:**

- Recognize in public, perhaps with Proclamations or Service Recognition Awards from the Mayor, individuals and groups who are effectively participating in government.
- Share stories of these champions and their activities with the press and in current city publications, radio spots and videos.
- Use citizen recognitions to pull doubters and those who only participate when they're angry toward productive, results-oriented involvement in government.
- The town square provides an outstanding environment for a city bulletin board,

recognitions and celebrations.

## **6. Current Public Relations and Information Efforts**

- Although efforts are project driven and limited by scant resources, key groups, including the press, are appreciative and eager for more, more, more.
- Key city staff understands that past false and positive starts are valuable inputs to a comprehensive strategy.
- City is outsourcing to private sector tasks, such as video production, which the private sector can do best.
- In short, the city is doing an admirable job with scant resources.

**Low-Hanging Fruit:** Begin a facilitated process to develop a comprehensive public participation and public relations strategy.

## **7. Local News Media**

- A frank exchange with representatives of the local news media revealed they are open, hungry for more government information, eager to work with the city and still defining their civic role as a free press. Additional research is needed to determine if the regional press shares these attitudes.
- Although they appear problem focused, members of the media do not appear cynical about government and do appear open to building relationships with city officials and staff.

### **Low-Hanging Fruit:**

- The press enjoyed the relaxed atmosphere of our meeting and would likely attend more. With the recognition that all media interaction is “on-the-record,” the team recommends the city host additional “background and discussion” meetings to build trust, interact in a non-deadline mode, share information about the changing city government, explore current and developing issues and identify ways the city and press can better understand and meet each other's needs.
- Attendees mentioned other cities in the region provide a comprehensive weekly calendar of city activities that helps them plan government coverage. They would like Gliwice to do the same. The calendar (or tip sheet) can be brief; one page is ideal. The city can demonstrate quick response by sharing such a calendar via fax or e-mail as soon as possible.
- Radio PULS has begun using the Internet. Additional research is needed to determine the potential for using Internet e-mail for speedy and efficient communication with the press.
- Media representatives appear open to examining their role as a free press. We recommend additional research to determine if the city, in partnership with area universities and USAID/Urban Institute Consortium, could provide learning and training opportunities.

## **PRELIMINARY SCAN: PUBLIC PARTICIPATION AND PUBLIC RELATIONS**

### **CHALLENGES AND LONG-TERM OPPORTUNITIES**

#### **1. No Comprehensive Strategic Public Relations Plan**

- Internal and external public relations efforts are not linked with or provide support for Gliwice's long term strategic vision.
- Current efforts are project driven and tactical in approach.
- Projects are reactive rather than proactive in focus.
- Public relations programs are not a key part of the management process and do not clearly reflect the values and leadership of the city organization.

**Action:** Facilitate a process to develop a comprehensive public participation and public relations plan to guide short and long term public information programs to support Gliwice's strategic community vision.

#### **2. Data Gathering and Bench-Marking of Key Community Indicators**

- There is no current data base of survey or polling data reflecting community attitudes, perceptions and expectations on the effectiveness of city government, services and programs.
- Data is limited on community demographics, news media penetration and how the public would like to get their information.
- Community target audiences, city key messages and citizens' satisfaction and trust levels are not benchmarked.
- There is no current data available on the attitudes, perceptions and support of municipal workers for the city administration.

**Action:** Develop a program utilizing surveys, research, focus groups, community questionnaires, etc., to periodically collect, track and benchmark key community indicators to guide municipal programs, public relations efforts and the city's strategic community vision.

#### **3. Current Public Relations Efforts**

- There are no consolidated budget or work plans for Gliwice's public relations programs.
- The current staff (one person) is overworked and under funded.
- Contract workers are being used to develop some video programs and print pieces.

**Action:** Develop and fund a public relations work plan, budget and staffing which link to and support effective implementation of the city's strategic vision and program goals.

#### **4. Channels for Internal and External Input**

- Gliwice's public relations program communicates one-way from the city administration to city employees and the public.
- Avenues for input and suggestions from municipal workers and citizens are limited and not actively promoted.
- Systems are not in place to effectively encourage, receive, evaluate and incorporate employee and public input into the strategic vision and business of city government.

**Action:** Develop a public information program to promote additional channels of two-way communication with city government through more employee and community meetings, feedback forms, radio and television call-in shows, citizens' advisory groups, citizens' suggestion programs, on-line forums, customer service input, etc.

## 5. News Media Relations

Gliwice's current relationship with the news media is passive.

- The media (radio, television and print) do not aggressively cover city issues, meetings and topics.
- The city routinely relies on paid advertising to get out its message through local news media outlets.
- Elected and appointed officials are not always accessible to the news media for interviews and requests for information.
- The city does not proactively issue news releases, media back grounders and tip sheets.
- The news media are interested in receiving information via fax, e-mail, telephone voicers, personal interviews and the mail.
- Key city staff have not had any news media relations training.
- There is no crisis management plan in place detailing systems for release of information during a community disaster situation.
- The media are not actively involved in partnerships with city government through joint sponsorship of events, community forums, citizens' recognition programs, etc.

**Action:** Develop a news media relations plan with training and crisis management components which directs the proactive release of information to reporters using the latest in technology to expedite and increase news coverage.

## 6. City Organizational Identity

- The city has no coordinated identity standards for buildings, the municipal fleet, publications, and services.
- It is difficult for the public to determine which level of government (central, regional, local) is providing a particular service or program.
- The city is not getting proper credit for its good service and innovative municipal programs due to this image "confusion".
- The new Customer Service Center at City Hall presents a professional and customer friendly service and is an excellent example for other city departments to follow in

developing a coordinated image.

**Action:** Facilitate the development of identity standards for Gliwice city government to include graphic guidelines for uniforms, vehicles, signage, print, service delivery and use of the municipal seal/logo.

## 7. Public Participation

- There is no formal public participation plan in place to receive ongoing input on issues critical to community success.
- The city's capital improvement, planning and budget programs are developed and implemented without organized public review and comment.
- Opportunities for meaningful dialogue between citizens and city officials are few, and the city does not proactively seek public opinion.
- Meetings of the City Council and key boards are not easily structured to receive public input, and dissemination of information about issues discussed and decisions made is limited.
- The strength and organization of community and neighborhood groups in Gliwice are limited.
- The newly formed Local Leadership Council is a positive step toward receiving input on community and regional issues from a broad based citizens' group.

**Action:** Develop a formal public participation process for city government, its departments and programs to provide ongoing opportunities for citizens, business and community leaders to have meaningful input into the business of Gliwice city government.

## **PRELIMINARY SCAN: PUBLIC PARTICIPATION AND PUBLIC RELATIONS**

### **CHECKLIST OF RECOMMENDATIONS**

A summary checklist of public participation and public relations recommendations follows to support efforts to prioritize the next steps.

#### **Short Term Recommendations/Low-Hanging Fruit**

One-stop-shop Customer Service Center provides opportunities for inspiring pride in local government, serving as a regional and national model, and recognizing city employees and service delivery innovations.

Tell and re-tell the GM story as the plant progresses. Ask GM to provide public relations support. Use plant planning and construction challenges and milestones as focal points to encourage regional exchange of information and as opportunities to build Gliwice's reputation as a good place to live and do business.

Nurture the city Web site and relationship with the University Computer Center. Add information about the Customer Service Center and General Motors plant. Consider e-mail link on the Web site, particularly for business development.

Recognize in public, perhaps with Proclamations or Service Awards from the Mayor, individuals and groups who are effectively participating in government. Share stories of these champions and their activities with the press and in current city publications, radio spots and videos. Maximize public places, particularly the town square, as natural vehicles for sharing information.

Begin a facilitated process for preparation of a comprehensive public participation and public relations strategy.

With the recognition that all interaction with the press is “on-the-record,” the team recommends the city consider regular “background and discussion” meetings with the news media to build trust, interact in a non-deadline mode, share information about the changing city government, explore current and developing issues and identify concrete improvements.

Share a one-page, weekly calendar of city activities to respond to press request and promote coverage of city activities.

## **Long Term Recommendations**

Begin a facilitated process to develop a comprehensive public participation and public relations plan to guide short and long term public information programs to support Gliwice's strategic community vision.

Develop a program utilizing surveys, research, focus groups, community questionnaires, etc., to periodically collect, track and benchmark key community indicators to guide municipal programs, public relations efforts and the city's strategic community vision.

Develop and fund a public relations work plan, budget and staffing which link to and support the effective implementation of the city's strategic vision and program goals.

Develop a public information program to promote additional channels of two-way communication with city government through more employee and community meetings, feedback forms, radio and television call-in shows, citizens' advisory groups, citizens' suggestion programs, on-line forums, customer service input, etc.

Develop a news media relations plan with training and crisis management components which directs the proactive release of information to reporters using the latest in technology to expedite and increase news coverage.

Facilitate the development of identity standards for Gliwice city government to include graphic guidelines for uniforms, vehicles, signage, print, service delivery and use of the municipal seal/logo.

Develop a formal public participation process for city government, its departments and programs to provide ongoing opportunities for citizens, business and community leaders to have meaningful input into the business of Gliwice city government.



## CONCLUSION

The leadership of the City of Gliwice has recognized the importance of strategic economic development, public participation and public relations initiatives in the success of their community and the region. While this report is the result of a brief visit and preliminary environmental scan, it indicates that there are many strengths, community assets and potentials for collaboration and partnerships locally, regionally and nationally.

The team recommends the next steps in this process should include:

1. Review of this preliminary report by City of Gliwice officials and the selection of critical short and long term priorities for implementation
2. Completion of data gathering, review of translated documents and follow up meetings with key city officials, business and community leaders
3. Facilitation by Urban Institute/USAID consultants of a collaborative process which results in a comprehensive strategy for economic development, public participation and public relations initiatives
4. Development of performance and bench marking systems to track and direct current and future programs.